

REAL ESTATE COMMISSION
Professional & Vocational Licensing Division
Department of Regulatory Agencies
State of Hawaii

MINUTES OF MEETING

Date: Thursday, October 25, 1973

Place: Board Room, Department of Regulatory Agencies
1010 Richards Street, Honolulu, Hawaii

Present: Douglas R. Sodetani, Chairman
Herbert S. Isonaga, Vice Chairman
Mrs. Mary Savio, Member
John D. Texeira, Member
Hiromu Yamanaka, Member
Ah Kau Young, Member

Clyde Sumida, Deputy Attorney General
Yukio Higuchi, Executive Secretary
Mrs. Peggy Lau, Stenographer

George Morris, Jr., Honolulu Board of Realtors
James Conahan, Attorney at Law
Bob Mueller, Bob Mueller Realty, Inc.
Participants in Time Sharing Discussion - Douglas Prior, Richard
Hicks, Dwight Rush, Douglas Mackinnon, James Boyle, Donald Avery,
Stephen Santangelo and Hiroshi Sakai
Robert Bone, Honolulu Advertiser Reporter

Absent: Louis Cannelora, Member

Call to Order: There being a quorum, Chairman Sodetani called the meeting to
order at 9:10 a.m.

Minutes: Ah Kau Young moved and Herbert Isonaga seconded that the minutes
of the September 27, 1973 meeting be approved as circulated.
Motion unanimously carried.

Audience: James P. Conahan and Bob Mueller re: Bob Mueller Realty, Inc.

Attorney James Conahan and Bob Mueller appeared before the
Commission to discuss Mueller's setting of his office in
General Realty Corp.'s office in Hilo.

Mueller explained that he is operating his own brokerage firm
and he is not an employee of General Realty Corp., but he has
a contractual relationship with said corporation, which may
be terminated at will by either party. They each have their
own office signs, phones, separate clients' trust accounts,
and separate bank accounts, thereby establishing separate
identities.

Following the question and answer period, Chair advised Conahan and Mueller that this matter will be taken under advisement and they will be informed of the Commission's decision shortly.

After considerable discussion, Herbert Isonaga moved and Hiromu Yamanaka seconded that the Commission approve the issuance of a license to Bob Mueller Realty, Inc. Motion carried.

Committee
Reports:

Real Estate Education Advisory Council

The Executive Secretary informed the Commission that he could not get together with Committee Chairman Mary Savio to review the applications for instructors certificate and other matters related to the Commission's real estate education program, and that Committee Chairman and he be given authorization to act upon the applications and other related matters accordingly.

Herbert Isonaga moved and Hiromu Yamanaka seconded that the Committee Chairman and the Executive Secretary be granted authorization to act upon the applications for instructors certificate and other related matters. Motion carried without dissent.

Review of Equivalent Experience Policies or Guidelines

Copies of the proposed guidelines of equivalent experience policies were circulated for suggestions, additions and/or deletions.

Hiromu Yamanaka moved and John Texeira seconded that the Commission adopt the proposed guidelines of equivalent experience policies with certain amendments. Motion unanimously carried.

Condominium Review Committee

Time Sharing Plan

Interested parties and developers appeared before the Commission to discuss the time sharing plan for condominium projects. They explained how this plan works and answered all the Commissioners questions.

After considerable discussion, the Commissioners requested the attorneys to form an ad hoc committee to piece together a consensus guideline for time sharing condominium projects to be submitted to the Oahu members for review and initial approval. The Commission took the position that condominiums registered as securities must be sold by a person holding dual licenses--real estate and securities.

Rules and Regulations Committee

Committee Chairman Ah Kau Young reported that his committee is still working on the proposed draft, and is shooting for a public hearing deadline of March 1974.

Recovery Fund Report

Copies of the latest recovery fund report were circulated. The Executive Secretary reported that since the last meeting, \$13,000 has been paid out--\$10,000 to Cavasso; \$1,500 a piece to Masuoka and Ogawa.

The Executive Secretary informed the Commissioners that a considerable amount may have to be paid out of the real estate recovery fund as several suits have been filed in the Circuit Court against International Syndications, Inc. and its corporate officers/licensees.

Deputy Attorney General, Clyde Sumida, apprised the Commissioners that since this might cause a drain on the recovery fund, the Attorney General's office will intervene in all cases and work on this directly.

Attorney General's Report

After hearing Deputy Attorney General Clyde Sumida's report, the Commission was in agreement unanimously to act as follows:

- (1) B. J. Hamrick: Proceed with a prehearing without affidavits or witnesses; advise her of the Commission's position and on what it bases its intention to deny her application for real estate salesman license.
- (2) Violet King: Request that she submit a new application and pay her fees; cancel hearing previously scheduled since she failed to pay her application fee and her previous application was defective.
- (3) Hiring of Attorney to Defend the Recovery Fund: Have the Deputy Attorney General proceed in whatever manner he deems necessary to hire private counsel to represent the Commission in defending the recovery fund against claims.
- (4) Proposed Bond by Mililani Town, Inc.: Request more research on this matter by Attorney General's office; write to Mililani Town, Inc. that Commission is looking into this matter as it feels that this matter is not as simple as thought earlier.

Business Out
of Minutes:

Caribbean-International of Hawaii
(Bill Chee's Letter)

As this relates to hotel-type service for vacationers and not to real estate, the Executive Secretary was directed to notify Bill Chee that his letter has been referred to Consumer Protection.

Questionable Applications

Harriet K. Mizuguchi dba Harriet K. Mizuguchi, Realtor

The Executive Secretary reported that Harriet Mizuguchi will not be pursuing her individual broker license and will continue work with Security Title Corporation.

Douglas Chew Kum Tom, Salesman Applicant for License

The Executive Secretary advised the Commission that he has received no response to his certified letter, which advised Tom to contact the Commission's office by September 24, 1973 or the Commission will act upon his application without his explanation for failing to disclose his criminal conviction.

The Commission's decision was to deny Tom's application for salesman license, and the Executive Secretary was directed to advise Tom of his pre-hearing rights.

Hawaii Resort Land Investment Corporation and Pre-Builder Land Corporation

The Executive Secretary reported that Joseph Hunter informed him that he established his two corporations on the same location as he could not find another office site in Hawaii; two separate corporations and separate businesses.

The Commission ruled that Pre-Builder Land Corporation's application for a corporate license be held up pending submittal of a definite address for its business.

Investigations: RE-535 Read Realty, Inc.

After review of the investigation report, Mr. Savio moved and Ah Kau Young seconded that the Commission rescind its earlier action to hold a formal hearing, and that Stanley Tobias and Read Realty, Inc. receive strong letters of reprimand for commencing sales prior to issuance of a public report; they be warned that if this happens again, the Commission will take action to suspend or revoke their licenses, and that said letters go into their license files. Motion carried unanimously.

RE-543 Pearl A. Nagatoshi

The Commissioners were in agreement to hold Pearl Nagatoshi's hearing after November 30, 1973 in Hilo with John Texeira and Hiromu Yamanaka as hearing officers, and that certified copies of the Court's order on Nagatoshi be produced for the hearing.

Sheldon Soosman

The Deputy Attorney General advised the Commission to proceed toward a hearing on Sheldon Soosman by working together with Consumer Protection as an investigation must be conducted to gather evidence and witnesses, inasmuch as, the civil judgment against Soosman would not suffice for the Commission's purpose.

New Business: Licensing

CORPORATION

Slim Takayama Realty, Inc. - 100 Pauahi Street, Hilo, Hawaii
 Kazuto Takayama PB
 Resort Land Investment, Inc. - 677 Ala Moana, Suite 912, Honolulu
 Larry K. S. You PB
 Edick Industries, Inc. dba Premier Realty - 939 Keeaumoku, Honolulu
 Dennis M. Grady PB
 Country Squire Realty, Inc. - 1060 Young Street, #308, Honolulu
 Robert A. Haaversen PB

BRANCH OFFICE

McLaren Corp., Realtors BR-1 - 745 Fort Street, Suite 2118, Honolulu
 Ennis C. McLaren BIC

DBA

Douglas Taylor & Associates - 1232 Waimanu, Honolulu
 Douglas S. Taylor dba
 R. S. Matsumoto - 1136 Union Mall, Suite 603, Honolulu
 Roy S. Matsumoto dba
 Polly Haas, Realtor - 315 Ano Street, Kahului, Maui
 Pauline T. Haas dba
 Will-Sal Realty - 1300 Pali Hwy., Room 70, Honolulu
 Sally S. Wong dba

Upon motion, the Commission approved the licensing processing of the above as tentatively approved by the Executive Secretary.

Questionable Application

Lorrin K. W. Ching

The Executive Secretary informed the Commission that Lorrin Ching's application for a broker license was denied for failure to satisfy the two years' experience requirement.

Ching has now submitted a second affidavit with more detailed information of his background; he requests the Commission's reconsideration of its decision or will demand for a hearing.

After review of Ching's second affidavit, the Commission was in agreement to grant him an informal hearing before a decision will be reached on his request.

Miscellaneous: California's Multi-State Examination Services

The Executive Secretary reported that California's Multi-State Examination Services has submitted information and materials of their examination service.

Mary Savio was requested to study the materials and pursue more information at the NARELLO Conference.

Correspondence: Hawaiiana Investment Company's Real Estate Survey

The Executive Secretary briefed the Commissioners of Hawaiiana Investment Company's request to conduct a survey to determine the type of real estate people are interested in. They request to be allowed to distribute 100 questionnaires by unlicensed people. They explained that they are not actually interested in taking reservations, will not build anything for another year, and that the survey will be retained by advertising agency.

The Chair directed the Executive Secretary to screen and approve the survey questions.

Announcements: E.T.S. Examination Date Changes

Upon motion, the Commission approved the 1974 real estate examination date changes--New dates: January 26, 1974, July 6, 1974 and December 14, 1974.

1974 Legislation Deadline

The Executive Secretary announced that the deadline for submittal for the 1974 Legislation was extended to the end of October.

The Chair directed the Executive Secretary to inform Louis Cannelora to get the draft of bills for condominiums before the deadline.

1973 NARELLO Conference

Chair announced that the Director has approved Hiromu Yamanaka's travel request, but the Executive Secretary's was denied.

Quarterly Newsletter

Chair directed Mary Savio and the Executive Secretary to put in writing what the Commission wants from the contractor, and to check with Clyde Sumida before mailing to interested parties.

Next Meeting

Date: Thursday, December 6, 1973 at 9 a.m.

Adjournment: There being no further business, Chairman Sodehani adjourned the meeting at 3:30 p.m.

Taken and recorded by

Peggy Lau
Peggy Lau, Stenographer

Approved by

Yukio Higuchi
YUKIO HIGUCHI, Executive Secretary

11/21/73